

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Jurisdictional Separations and Referral to the Federal-State Joint Board)	CC Docket No. 80-286
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
High Cost Universal Support)	WC Docket No. 05-337
)	

**REPLY COMMENTS OF
THE MINNESOTA TELECOM ALIANCE**

The Minnesota Telecom Alliance (“MTA”) hereby submits to the Federal Communications Commission (“FCC” or “Commission”) these Reply Comments in the above-captioned proceeding.¹ Comments were filed April 20, 2009 with regards to a petition by the Coalition for Equity in Switching Support seeking clarification of the Commission’s rules on local switching support.²

The MTA submits these reply comments in support of suggestions advanced in the comments of Mid-Communications, Inc. dba HickoryTech (“HickoryTech”) and the comments filed jointly by the National Exchange Carrier Association, National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, Eastern Rural Telecom

¹ The Minnesota Telecom Alliance is a trade association that advocates and represents the interests of nearly 100 small, medium and large companies that provide advanced telecommunications services like voice, data, wireless video, and high-speed Internet access to Minnesota’s metropolitan and rural communities.

² See *Jurisdictional Separations and Referral to the Federal-State Joint Board; Federal-State Joint Board on Universal Service*, CC Docket Nos. 80-286 and 96-45, Petition for Clarification of Coalition for Equity in Switching Support (Jan. 8, 2009)

Association and Western Telecommunications Alliance (collectively referred to as “NECA/NTCA/OPASTCO/ERTA/WTAA”). MTA joins these commenters in urging the Commission to grant the petition for clarification sought by the Coalition for Equity in Switching Support.

The rule at issue, CFR §54.301(a)(2)(ii), reads:

(ii) If the number of a study area's access lines increases such that, under §36.125(f) of this chapter, the weighted interstate DEM factor for 1997 or any successive year would be reduced, that lower weighted interstate DEM factor shall be applied to the carrier's 1996 unweighted interstate DEM factor to derive a new local switching support factor.

Applying this rule in a one-way manner means that carriers who experience an increase in access lines that result in the crossing of a threshold would decrease the DEM weight, but if a carrier experiences a decrease in lines, the factor is not adjusted. MTA believes that this “one-way ratchet” interpretation of this rule is unintended and inequitable. As stated by NECA/NTCA/OPASTCO/ERTA/WTAA: “Thus, companies who would otherwise qualify for a higher DEM weight factor when their lines fall below a threshold, have been required to continue using a lower DEM weight factor normally applicable to larger companies. This has resulted in these companies receiving less LSS than other companies with a comparable number of lines and comparable switching costs.”

MTA agrees with HickoryTech that such an application of the rule is not contemplated by FCC Order or by the rule itself. A company's support should be determined by their current access line count.

MTA is also struck by another point made by HickoryTech, and that is the assertion that in applying CFR §54.301(a)(2)(ii) according to its own unilateral interpretation, the Universal Service Administrative Company (“USAC”) has

overstepped its bounds and is not administering the Commission's rules, but is developing and enforcing its own interpretation of the rules, i.e. making policy.

The FCC should put an end to USAC's one-way interpretation and application of CFR §54.301(a)(2)(ii) and instruct USAC to calculate local switching support based on a carrier's actual line count. Such an action would restore equity and fair regulation.

Respectfully submitted,

/s/ Randy Young

Randy Young

CEO/President

Minnesota Telecom Alliance

30 East 7th Street, Suite 1650

St Paul, MN 55101

Telephone: 651-291-7311

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Reply Comments of the Minnesota Telecom Alliance was served this 1st^h day of May 2009, by electronic filing and email to the persons listed below.

/s/ Moses Dennis
Moses Dennis

The following parties were served:

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12 St. SW
Washington, DC 20554

Antoinette Stevens
Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12 St. SW
Washington, DC 20554
Antoinette.stevens@fcc.gov

Best Copy and Printing, Inc.
Room CY-B402
445 12 Street SW
Washington, DC 20554
fcc@bcpi.web